

HARPER UK (ABERDEEN) LTD
Annual Report and Financial Statements
For the financial year ended 31 January 2025

HARPER UK (ABERDEEN) LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
For the financial year ended 31 January 2025

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HARPER UK (ABERDEEN) LTD
COMPANY INFORMATION
For the financial year ended 31 January 2025

DIRECTORS

Pamela Blackadder
Gemma Burnett (Appointed 17 March 2025)
David Duncan

SECRETARY

Shepherd & Wedderburn Secretaries Limited

REGISTERED OFFICE

37 Albyn Place
Aberdeen
AB10 1YN
United Kingdom

COMPANY NUMBER

SC547521 (Scotland)

AUDITOR

Hall Morrice LLP
Statutory Auditor

6 & 7 Queens Terrace
Aberdeen
AB10 1XL

BANKERS

Bank of Scotland
39 Albyn Place
Aberdeen
AB10 1YN

SOLICITORS

Shepherd and Wedderburn LLP
37 Albyn Place
Aberdeen
AB10 1YN

HARPER UK (ABERDEEN) LTD
STRATEGIC REPORT
For the financial year ended 31 January 2025

The directors present their Strategic Report for the financial year ended 31 January 2025.

REVIEW OF THE BUSINESS

Harper UK Ltd operates in the engineering and fabrication sector, providing services primarily to the oil and gas industry. Core activities include design, engineering, fabrication, rental fleet management, and mobilisation works. The company's principal market remains oil and gas, with additional revenue derived from renewables and other energy sectors.

During the year, design and engineering services saw significant growth, particularly in support of topside and subsea structures, resulting in structured monthly revenue streams. The hire fleet was diversified to support decommissioning activities anticipated from 2026 onwards.

RESULTS AND PERFORMANCE

For the year ended 31 January 2025, Harper UK reported the following financial results:

- Revenue: £11,157,947 (2024: £9,302,408)
- Operating Profit: £2,886,196 (2024: £1,687,166)
- Operating Margin: Approximately 25.9% (2024: Approximately 18.1%)
- Number of Employees: 67 (2024: 58)

The company demonstrated strong growth compared to the previous year, with revenue increasing by approximately 20% and operating profit increasing by approximately 71%. The operating margin improved from approximately 18.1% in 2024 to 25.9% in 2025, reflecting enhanced profitability and efficient cost management. Employee headcount also increased to support expanding operations.

KEY PERFORMANCE INDICATORS ('KPIs')

The key performance indicators used to monitor business progress include:

- Revenue growth and profitability
- Operating margin
- Market diversification (sector revenue split)
- Employee headcount and retention
- Recurring monthly revenue from engineering contracts
- Contract acquisition and pipeline development

PRINCIPAL RISKS AND UNCERTAINTIES

Harper UK applies the PESTEL model to systematically assess and manage risks arising from Political, Economic, Social, Technological, Environmental, and Legal factors affecting the business.

The principal risks and uncertainties identified include:

- Market dependence on the oil and gas sector and exposure to its cyclical nature.
- Potential supply chain disruptions affecting project delivery and costs.
- Availability and retention of skilled technical personnel.
- Compliance with health, safety, environmental regulations, and evolving legal requirements.
- Technological changes and the need to adapt to innovation, including digitalisation and automation.
- Impact of environmental regulations and the energy transition on future demand.

The company mitigates these risks through strategic diversification, investment in compliance and technology, and ongoing risk monitoring based on the PESTEL framework.

Post Reporting Date

Since the year-end date of 31 January 2025, no new risks or uncertainties have arisen that would materially affect the company's performance or financial position.

FUTURE DEVELOPMENTS

HARPER UK (ABERDEEN) LTD
STRATEGIC REPORT (CONTINUED)
For the financial year ended 31 January 2025

Harper UK is focused on several key initiatives to drive sustainable growth:

- Securing a long-term marine mobilisation contract scheduled to commence in April 2025, providing revenue visibility for 3-5 years.
- Expanding and diversifying hire fleet offerings to support decommissioning projects from 2026 onwards.
- Further development of engineering services with an emphasis on topside and subsea structures.
- Continued investment in renewable energy projects.
- Adoption of digital tools to enhance engineering and operational precision.
- Enhancing staff development through expanded management training programmes.
- Ongoing commitment to environmental, social, and governance (ESG) improvements.

The directors are satisfied with the performance and direction of the business for the year ended 31 January 2025. They are also happy that the company is committed to mitigating any risks and confirms that there are no ongoing concerns.

Approved by the Board of Directors and signed on its behalf by:

David Duncan
Director

27 August 2025

HARPER UK (ABERDEEN) LTD
DIRECTORS' REPORT
For the financial year ended 31 January 2025

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report, for the financial year ended 31 January 2025.

PRINCIPAL ACTIVITIES

The principal activity of the company continued to be that of manufacturing of fabricated metal products and the rental of subsea baskets.

REVIEW OF THE BUSINESS

Turnover for the financial year amounted to £11,157,947 (2024: £9,302,408). The company earned a profit after taxation totalling £1,870,975 (2024: £1,053,464).

The net current asset position of the company as at the financial year end amounted to £1,870,226 (2024: net current asset £1,047,358).

The net asset position of the company as at the financial year end amounted to £5,448,445 (2024: net asset £3,717,730).

DIVIDENDS

The directors paid a dividend of £146,339 in the current financial year (2024: £95,668).

DIRECTORS

The directors, who served during the financial year and to the date of this report except as noted, were as follows:

Pamela Blackadder

Gemma Burnett

(Appointed 17 March 2025)

David Duncan

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

* So far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

* The director has taken all the steps that they ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Hall Morrice LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Approved by the Board of Directors and signed on its behalf by:

David Duncan
Director

HARPER UK (ABERDEEN) LTD
DIRECTORS' REPORT (CONTINUED)
For the financial year ended 31 January 2025

27 August 2025

HARPER UK (ABERDEEN) LTD
DIRECTORS' RESPONSIBILITIES STATEMENT
For the financial year ended 31 January 2025

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that financial period.

In preparing these financial statements, the directors are required to:

- * Select suitable accounting policies and then apply them consistently;
- * Make judgements and accounting estimates that are reasonable and prudent;
- * State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- * Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARPER UK (ABERDEEN) LTD
For the financial year ended 31 January 2025

Report on the audit of the financial statements

Qualified opinion

We have audited the financial statements of Harper UK (Aberdeen) Ltd for the financial year ended 31 January 2025, which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows, the accounting policies, and the related notes 1 to 23, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements of Harper UK (Aberdeen) Ltd (the 'company'):

- * Give a true and fair view of the state of the company's affairs as at 31 January 2025 and of its profit for the financial year then ended;
- * Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- * Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

We were not appointed as auditor until after 31 January 2024, thus we were not able to observe the physical counting and verification of stocks and tangible fixed assets at 31 January 2024, which are included in the balance sheet at £1,372,549 and £4,535,032 respectively, or satisfy ourselves concerning quantities by alternative means. Since opening stocks affect the determination of the results for the year, we were unable to determine whether adjustments might be necessary in respect of the opening profit and loss reserves and reported profit for the financial year to 31 January 2025

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARPER UK (ABERDEEN) LTD (CONTINUED)
For the financial year ended 31 January 2025

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- * The information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- * The Strategic Report and Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- * Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- * The financial statements are not in agreement with the accounting records and returns; or
- * Certain disclosures of directors' remuneration specified by law are not made; or
- * We have not received all the information and explanations we require for our audit;

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARPER UK (ABERDEEN) LTD (CONTINUED)
For the financial year ended 31 January 2025

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARPER UK (ABERDEEN) LTD (CONTINUED)
For the financial year ended 31 January 2025

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

In identifying and assessing the risk of material misstatement due to non-compliance with laws and regulations we have:

- Ensured that the engagement team had the appropriate competence, capabilities and skills to identify or recognise non-compliance with laws and regulations;
- Identified the laws and regulations applicable to the entity through discussions with directors and management and through our own knowledge of the sector;
- Focused on the specific laws and regulations we consider may have a direct effect on the financial statements, including FRS 102, the Companies Act 2006 and tax compliance regulations;
- Focused on the specific laws and regulations we consider may have an indirect effect on the financial statements that are central to the entity's ability to trade including those relating to health and safety and data protection;
- Reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with applicable laws and regulations;
- Made enquiries of management and inspected legal correspondence;
- Reviewed minutes of meetings of those charged with governance; and
- Ensured the engagement team remained alert to instances of non-compliance throughout the audit.

In identifying and assessing the risk of material misstatement due to irregularities, including fraud and how it may occur, and the potential for management bias and the override of controls we have:

- Obtained an understanding of the entity's operations, including the nature of its revenue sources and of its objectives and strategies, to understand the classes of transactions, account balances, expected financial disclosures and business risks that may result in risk of material misstatement;
- Obtained an understanding of the internal controls in place to mitigate risks of irregularities, including fraud;
- Vouched balances and reconciling items in key control account reconciliations to supporting documentation;
- Carried out detailed testing, on a sample basis, to verify the completeness, occurrence, existence and accuracy of transactions and balances;
- Carried out detailed testing to verify the completeness, occurrence, validity, existence and accuracy of income including cut-off testing and ensuring income recognition is in line with stated accounting policies;
- Made enquiries of management as to where they consider there was a susceptibility to fraud, and their knowledge of any actual, suspected or alleged fraud;
- Tested journal entries to identify any unusual transactions;
- Performed analytical procedures to identify any significant or unusual transactions;
- Investigated the business rationale behind any significant or unusual transactions; and
- Evaluated the appropriateness of accounting policies and the reasonableness of accounting estimates.

We did not identify any matters relating to non-compliance with laws and regulations, or relating to fraud.

Because of the inherent limitations of an audit, there is an unavoidable risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk of not detecting a material misstatement due to fraud is inherently more difficult than detecting those that result from error as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. In addition, the further removed any non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARPER UK (ABERDEEN) LTD (CONTINUED)
For the financial year ended 31 January 2025

Shonagh L Fraser MA CA (Senior Statutory Auditor)
For and on behalf of Hall Morrice LLP
Statutory Auditor

6 & 7 Queens Terrace
Aberdeen
AB10 1XL

08 September 2025

HARPER UK (ABERDEEN) LTD
STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 January 2025

	Note	2025	2024
		£	£
Turnover	3	11,157,947	9,302,408
Cost of sales		(6,037,667)	(5,845,061)
Gross profit		5,120,280	3,457,347
Administrative expenses		(2,295,029)	(1,772,681)
Other operating income	4	60,945	2,500
Operating profit		2,886,196	1,687,166
Interest receivable and similar income	5	4	328
Interest payable and similar expenses	5	(359,331)	(268,294)
Profit before taxation	6	2,526,869	1,419,200
Tax on profit	9	(655,894)	(365,736)
Profit for the financial year		1,870,975	1,053,464
Tax relating to components of other comprehensive income		6,079	1,843
Other comprehensive income		6,079	1,843
Total comprehensive income		1,877,054	1,055,307

All amounts relate to continuing operations.

HARPER UK (ABERDEEN) LTD
BALANCE SHEET
As at 31 January 2025

	Note	2025	2024
		£	£
Fixed assets			
Intangible assets	11	157,861	166,261
Tangible assets	12	5,596,534	4,535,032
		5,754,395	4,701,293
Current assets			
Stocks	13	1,836,456	1,372,549
Debtors	14	2,295,151	2,130,878
Cash at bank and in hand		415,670	268,717
		4,547,277	3,772,144
Creditors: amounts falling due within one year	15	(2,677,051)	(2,724,786)
Net current assets		1,870,226	1,047,358
Total assets less current liabilities		7,624,621	5,748,651
Creditors: amounts falling due after more than one year	16	(827,777)	(1,084,298)
Provision for liabilities	17	(1,348,399)	(946,623)
Net assets		5,448,445	3,717,730
Capital and reserves	19		
Called-up share capital		1	1
Revaluation reserve		693,262	727,324
Profit and loss account		4,755,182	2,990,405
Total shareholders' funds		5,448,445	3,717,730

The financial statements of Harper UK (Aberdeen) Ltd (registered number: SC547521) were approved and authorised for issue by the Board of Directors on 27 August 2025. They were signed on its behalf by:

David Duncan
Director

HARPER UK (ABERDEEN) LTD
STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 January 2025

	Called-up share capital	Revaluation reserve	Profit and loss account	Total
	£	£	£	£
At 01 February 2023	1	732,854	2,025,236	2,758,091
Profit for the financial year	0	0	1,053,464	1,053,464
Tax relating to components of other comprehensive income	0	1,843	0	1,843
Fair value adjustments reclassified to profit or loss	0	(7,373)	7,373	0
Total comprehensive income	0	(5,530)	1,060,837	1,055,307
Dividends paid on equity shares (note 10)	0	0	(95,668)	(95,668)
At 31 January 2024	1	727,324	2,990,405	3,717,730
At 01 February 2024	1	727,324	2,990,405	3,717,730
Profit for the financial year	0	0	1,870,975	1,870,975
Tax relating to components of other comprehensive income	0	6,079	0	6,079
Fair value adjustments reclassified to profit or loss	0	(40,141)	40,141	0
Total comprehensive income	0	(34,062)	1,911,116	1,877,054
Dividends paid on equity shares (note 10)	0	0	(146,339)	(146,339)
At 31 January 2025	1	693,262	4,755,182	5,448,445

HARPER UK (ABERDEEN) LTD
STATEMENT OF CASH FLOWS
For the financial year ended 31 January 2025

	2025	2024
	£	£
Net cash flows from operating activities (note 22)	1,912,529	687,888
Cash flows from investing activities		
Proceeds from sale of plant and machinery	292	43,750
Purchase of plant and machinery	(1,214,677)	(790,246)
Interest received	4	328
Purchase of intangible assets	(15,606)	(28,991)
Other investments and loans made	0	(12,376)
Proceeds from other investments and loans	9,182	0
Net cash flows from investing activities	(1,220,805)	(787,535)
Cash flows from financing activities		
Repayments of borrowings	(283,788)	(190,788)
Dividends paid to equity shareholders	(146,339)	(95,668)
Net cash flows from financing activities	(430,127)	(286,456)
Net increase/(decrease) in cash and cash equivalents	261,597	(386,103)
Cash and cash equivalents at beginning of year	(731,761)	(345,658)
Cash and cash equivalents at end of year	(470,164)	(731,761)
Reconciliation to cash at bank and in hand:		
Cash at bank and in hand at end of year	(470,164)	(731,761)
Cash and cash equivalents at end of year	(470,164)	(731,761)

HARPER UK (ABERDEEN) LTD
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 January 2025

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year, unless otherwise stated.

General information and basis of accounting

Harper UK (Aberdeen) Ltd (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in Scotland. The address of the company's registered office is 37 Albyn Place, Aberdeen, AB10 1YN, United Kingdom.

The principal activities are set out in the Directors Report.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) applicable in the UK and Republic of Ireland issued by the Financial Reporting Council and the requirements of the Companies Act 2006.

The financial statements are presented in pounds sterling which is the functional currency of the Company and rounded to the nearest £.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of signing the financial statements. Thus the directors have continued to adopt the going concern basis of accounting in preparing the financial statements.

Change in accounting policies

In the current year, the following new and revised standards and interpretations have been adopted by the company and have had an effect on future periods.

At the date of authorisation of these financial statements, the following standards and interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective:

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in the Statement of Comprehensive Income in the period in which they arise except for:

- * exchange differences on transactions entered into to hedge certain foreign currency risks (see above); and
- * exchange differences arising on gains or losses on non-monetary items which are recognised in the Statement of Comprehensive Income.

HARPER UK (ABERDEEN) LTD
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 January 2025

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue for the provision of services is recognised by reference to the date on which services were rendered.

Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the Balance Sheet date. This is normally measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs if the contract is obtained in a subsequent period.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Employee benefits

Short term benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Defined contribution schemes

For defined contribution schemes the amounts charged to the Profit and Loss Account in respect of pension costs and other post-retirement benefits are the contributions payable in the financial year. Differences between contributions payable in the financial year and contributions actually paid are shown as either accruals or prepayments in the Balance Sheet.

HARPER UK (ABERDEEN) LTD
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 January 2025

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance Sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment is measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to the sale of the asset.

Where items recognised in the Statement of Comprehensive Income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the company and the company intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Intangible assets

Other intangible assets	10 years straight line
-------------------------	------------------------

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

HARPER UK (ABERDEEN) LTD
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Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment property and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line or reducing balance basis over its expected useful life, as follows:

Land and buildings	not depreciated
Plant and machinery	3 - 14 years straight line 20 - 25 % reducing balance
Vehicles	20 % reducing balance
Fixtures and fittings	25 % reducing balance
Computer equipment	3 years straight line

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Internally manufactured assets whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised in profit or loss.

Leases

The company as lessee

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the Statement of Comprehensive Income over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Balance Sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income as described below.

HARPER UK (ABERDEEN) LTD
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Non-financial assets

At each balance sheet date, the company reviews its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Stocks

Inventory comprises raw materials, work in progress, and finished goods and is stated at the lower of cost and net realisable value. Cost includes purchase price and direct labour based on normal operating activity, calculated using the FIFO (first-in, first-out) method.

Raw materials cost is determined using recent purchase invoices, standard industry conversion rates, and recognised formulas to convert item dimensions and grades into appropriate cost units. Work in progress cost comprises direct materials and labour costs allocated to individual projects based on actual usage and recorded labour time, valued at standard rates. Management applies judgement to assess the stage of completion of each project at the reporting date.

At each reporting date, inventory is reviewed for impairment. Provisions are made for obsolete, slow-moving, or defective items where appropriate. Any excess of carrying amount over net realisable value is recognised as an impairment loss in profit or loss. Reversals of previously recognised impairment losses are also recorded when applicable.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in creditors: amounts falling due within one year.

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Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

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Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the Balance Sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

HARPER UK (ABERDEEN) LTD
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2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that period, or in the financial year

of the revision and future periods if the revision affects both current and future periods.

Key source of estimation on uncertainty – useful economic lives of tangible assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. Determination of appropriate useful economic lives is a key judgement and the useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Critical judgement - Valuation of stock

The cost of inventory at 31 January 2025 has been determined with reference to recent purchase information and standard industry conversion rates. The valuation is based on a cost per tonne derived from supplier invoices, adjusted for item dimensions and steel grades where applicable. These rates have been established using consistent methodology by personnel with appropriate technical knowledge and experience. The valuation method reflects the FIFO basis of accounting and incorporates recognised conversion formulas and supporting certification to ensure appropriate allocation of costs across inventory categories.

Critical Judgements – Work in Progress Valuation

The valuation of work in progress at 31 January 2025 is based on the allocation of direct material costs and direct labour time attributable to individual projects. Labour time is recorded by project and valued at standard cost rates, while material costs are assigned based on actual usage. The carrying value reflects management's judgement in determining the stage of completion of each project at the reporting date.

Critical Judgements – Valuation of Rental Assets

The valuation of rental assets at 31 January 2025 is based on recent market transactions at arm's length for comparable plant and equipment. Management considers these transactions to reflect the fair value of the assets, taking into account the design and specification of items fabricated and sold to third parties. Useful economic lives have been determined with reference to industry practice and internal experience, including for specialised items such as clump weights.

HARPER UK (ABERDEEN) LTD
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3. Turnover

Turnover represents the fair value of goods/services provided to customers during the financial year excluding value added tax.

Breakdown by business class

An analysis of the company's turnover by class of business is set out below.

	2025	2024
	£	£
Workshop sales	5,475,021	4,322,736
Vessel sales	3,696,228	3,149,779
Hire sales	1,983,708	1,817,933
Rental income	2,990	11,960
	11,157,947	9,302,408

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

4. Other operating income

	2025	2024
	£	£
Insurance claim	26,945	0
Grant income	34,000	2,500
	60,945	2,500

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5. Interest receivable and interest payable

	2025	2024
	£	£
Interest receivable and similar income	4	328
Interest payable and similar expenses	(359,331)	(268,294)
	(359,327)	(267,966)

Interest receivable and similar income

	2025	2024
	£	£
Bank interest	4	328

Interest payable and similar expenses

	2025	2024
	£	£
Bank loans and overdrafts	(598)	(33,968)
Finance leases and hire purchase contracts	(326,693)	(207,735)
Other interest payable and similar expense	(32,040)	(26,591)
	(359,331)	(268,294)

6. Profit before taxation

Profit before taxation is stated after charging/(crediting):

	2025	2024
	£	£
Depreciation of tangible fixed assets (note 12)	237,960	144,548
Amortisation of intangible assets (note 11)	24,006	21,834
Government grants	34,000	2,500
Gain on fair value movement of fixed assets	(40,141)	(7,373)
Gain on disposal of fixed assets	292	20,250
Fees payable to the company's auditor for the audit of the company's financial statements	20,000	0

HARPER UK (ABERDEEN) LTD
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7. Staff number and costs

	2025	2024
	Number	Number
The average monthly number of employees (including directors) was:		
Production staff	57	49
Administrative staff	8	7
Directors	2	2
	67	58

Their aggregate remuneration comprised:

	2025	2024
	£	£
Wages and salaries	3,111,611	2,744,914
Social security costs	355,143	319,114
Other retirement benefit costs	87,304	72,779
	3,554,058	3,136,807

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

8. Directors' remuneration

	2025	2024
	£	£
Directors' emoluments	104,075	83,600
Company contributions to money purchase pension schemes	2,670	2,670
	106,745	86,270

	2025	2024
	Number	Number
Members of a money purchase pension scheme	1	1

HARPER UK (ABERDEEN) LTD
NOTES TO THE FINANCIAL STATEMENTS
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9. Tax on profit

	2025	2024
	£	£
Current tax on profit		
UK corporation tax	248,039	0
Total current tax	248,039	0
Deferred tax		
Origination and reversal of timing differences	407,855	365,736
Total deferred tax	407,855	365,736
Total tax on profit	655,894	365,736

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2023 (on 10 January 2023). These changes included an increase in the main rate to 25% from April 2023. Deferred taxes at the balance sheet date, in relation to UK companies, are now measured using tax rates enacted as at the balance sheet date (25%).

Tax reconciliation

The tax assessed for the year is higher than (2024: higher than) the standard rate of corporation tax in the UK:

	2025	2024
	£	£
Profit before taxation	2,526,869	1,419,200
Tax on profit at standard UK corporation tax rate of 25% (2024: 24.03%)	631,717	341,034
Effects of:		
Expenses not deductible for tax purposes	15,946	7,325
Adjustments in respect of prior years	7,056	1,790
Fixed assets ineligible depreciation	1,175	903
Tax adjustments, reliefs and transfers	0	14,119
Other permanent differences	0	565
Total tax charge for year	655,894	365,736

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NOTES TO THE FINANCIAL STATEMENTS
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10. Dividends on equity shares

	2025	2024
	£	£
Amounts recognised as distributions to equity holders in the financial year:		
Interim dividend for the financial year ended 31 January 2025 of £10.52 (2024: £4.37) per Ordinary share	99,600	54,268
Interim dividend for the financial year ended 31 January 2025 of £87.53 (2024: £117.64) per Class A share	46,739	41,400
	146,339	95,668

11. Intangible assets

	Other intangible assets	Total
	£	£
Cost		
At 01 February 2024	235,645	235,645
Additions	15,606	15,606
At 31 January 2025	251,251	251,251
Accumulated amortisation		
At 01 February 2024	69,384	69,384
Charge for the financial year	24,006	24,006
At 31 January 2025	93,390	93,390
Net book value		
At 31 January 2025	157,861	157,861
At 31 January 2024	166,261	166,261

Amortisation of intangible fixed assets is included in administrative expenses.

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NOTES TO THE FINANCIAL STATEMENTS
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12. Tangible assets

	Land and buildings	Plant and machinery	Vehicles	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£	£
Cost						
At 01 February 2024	0	4,692,762	141,796	39,930	62,461	4,936,949
Additions	5,933	1,179,947	93,984	13,110	6,488	1,299,462
Disposals	0	0	(6,995)	0	0	(6,995)
At 31 January 2025	5,933	5,872,709	228,785	53,040	68,949	6,229,416
Accumulated depreciation						
At 01 February 2024	0	292,218	49,401	19,841	40,457	401,917
Charge for the financial year	0	178,922	35,474	11,495	12,069	237,960
Disposals	0	0	(6,995)	0	0	(6,995)
At 31 January 2025	0	471,140	77,880	31,336	52,526	632,882
Net book value						
At 31 January 2025	5,933	5,401,569	150,905	21,704	16,423	5,596,534
At 31 January 2024	0	4,400,544	92,395	20,089	22,004	4,535,032

Assets held under finance leases

The company has leased motor vehicles on leases which are considered to meet the definition of finance leases and are accounted for accordingly. Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Total future minimum lease payments under finance leases are as follows:

	2025	2024
	£	£
- within one year	310,986	259,468
- between one and five years	773,944	1,014,465
	1,084,930	1,273,933

Rental assets (excluding PPUs) with a carrying amount of £4,234,467 (2024 - £3,153,250) were revalued at 31 January 2025 by the directors. The valuation was based on recent market transactions on arm's length terms for similar plant and equipment.

Rental assets (excluding PPUs) are carried at valuation. If rental assets (excluding PPUs) were measured using the cost model, the carrying amounts would have been £4,168,987 (2024 - £2,218,353), being cost £4,234,467 (2024 £2,273,484) and depreciation £65,480 (2024 - £55,131).

HARPER UK (ABERDEEN) LTD
NOTES TO THE FINANCIAL STATEMENTS
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13. Stocks

	2025	2024
	£	£
Stocks	1,576,217	1,291,421
Work in progress	260,239	81,128
	1,836,456	1,372,549

14. Debtors

	2025	2024
	£	£
Trade debtors	2,175,159	1,895,066
Corporation tax	1,078	0
Other debtors	1,901	143,608
Prepayments and accrued income	113,819	79,828
Amounts owed by directors (note 23)	3,194	12,376
	2,295,151	2,130,878

15. Creditors: amounts falling due within one year

	2025	2024
	£	£
Bank loans and overdrafts (secured)	895,834	1,010,478
Obligations under finance leases and hire purchase contracts (secured)	310,986	259,468
Trade creditors	714,581	968,157
Corporation tax	249,117	0
Payroll taxes payable	68,557	133,470
VAT	296,025	200,417
Accruals and deferred income	132,844	146,411
Other creditors	9,107	6,385
	2,677,051	2,724,786

The invoice finance lender holds a floating charge over the property or undertaking of the company.

The company also has a bank loan guaranteed by the UK Government Bounce Back Loan Scheme.

Net obligations under hire purchase and finance lease contracts are secured on the assets acquired.

HARPER UK (ABERDEEN) LTD
NOTES TO THE FINANCIAL STATEMENTS
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16. Creditors: amounts falling due after more than one year

	2025	2024
	£	£
Bank loans and overdrafts (secured)	8,333	18,333
Obligations under finance leases and hire purchase contracts (secured)	773,944	1,014,465
Deferred income	45,500	51,500
	827,777	1,084,298

Bank loans

	2025	2024
	£	£
Between one and two years	8,333	10,000
Between two and five years	0	8,333
After five years	0	0
	8,333	18,333
On demand or within one year	10,000	10,000
	18,333	28,333

Finance leases

	2025	2024
	£	£
Between one and two years	338,336	293,392
Between two and five years	435,608	721,073
After five years	0	0
	773,944	1,014,465
On demand or within one year	310,986	259,468
	1,084,930	1,273,933

HARPER UK (ABERDEEN) LTD
NOTES TO THE FINANCIAL STATEMENTS
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Total borrowings including finance leases

	2025	2024
	£	£
Between one and two years	346,669	303,392
Between two and five years	435,608	729,406
	782,277	1,032,798
On demand or within one year	320,986	269,468
	1,103,263	1,302,266

17. Provision for liabilities

	2025	2024
	£	£
Deferred tax	1,348,399	946,623

18. Deferred tax

	2025	2024
	£	£
At the beginning of financial year	(946,623)	(582,730)
Charged to the Profit and Loss Account	(407,855)	(365,736)
Credited to the Statement of Comprehensive Income	6,079	1,843
At the end of financial year	(1,348,399)	(946,623)

The deferred taxation balance is made up as follows:

	2025	2024
	£	£
Accelerated capital allowances	(1,349,899)	(1,079,010)
Tax losses carry forward	0	128,935
Other timing differences	0	1,843
Disallowable provisions	1,500	1,609
	(1,348,399)	(946,623)

HARPER UK (ABERDEEN) LTD
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19. Called-up share capital and reserves

	2025	2024
	£	£
Allotted, called-up and fully-paid		
534 Class A ordinary shares of £ 0.0001 each	0.05	0.05
9,466 Ordinary shares of £ 0.0001 each	0.95	0.95
	1.00	1.00
Presented as follows:		
Called-up share capital presented as equity	1	1

The A Ordinary shares carry the same rights as Ordinary shares.

The Company's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

The revaluation reserve represents the cumulative effect of revaluations of freehold land and buildings which are revalued to fair value at each reporting date.

20. Financial commitments

Commitments

Capital commitments are as follows:

	2025	2024
	£	£
Contracted for but not provided for:		
Finance leases entered into	2,240,300	738,920

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2025	2024
	£	£
within one year	242,700	163,380
between one and five years	728,100	490,140
after five years	1,269,500	85,400
	2,240,300	738,920

The company had no material capital commitments at the year ended 31 January 2025.

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21. Net debt reconciliation

Net debt reconciliation

	Balance at 01 February 2024	Cash flows	New finance leases	Balance at 31 January 2025
	£	£	£	£
Cash at bank and in hand	268,717	146,953	0	415,670
Bank overdrafts	(1,000,478)	114,644	0	(885,834)
	(731,761)	261,597	0	(470,164)
Bank loans	(28,333)	10,000	0	(18,333)
Finance leases	(1,273,933)	273,788	(84,785)	(1,084,930)
	(1,302,266)	283,788	(84,785)	(1,103,263)
Net debt	(2,034,027)	545,385	(84,785)	(1,573,427)

22. Statement of Cash Flows

	2025	2024
	£	£
Operating profit	2,886,196	1,687,166
<i>Adjustment for:</i>		
Depreciation and amortisation	261,966	166,382
Profit on sale of plant and equipment	(292)	(20,250)
Increase in provisions	401,776	363,893
Operating cash flows before movement in working capital	3,549,646	2,197,191
Increase in stocks	(463,907)	(302,916)
Increase in debtors	(173,455)	(687,653)
(Decrease)/increase in creditors	(233,726)	264,401
Cash generated by operations	2,678,558	1,471,023
Income taxes paid	(406,698)	(514,841)
Interest paid	(359,331)	(268,294)
Net cash flows from operating activities	1,912,529	687,888

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23. Related party transactions

As at 31 January 2025 the company's leasing costs were £248,693 (2024 - £198,840).

As at 31 January 2025 the company's recharged costs were £64,485 (2024 - £28,995).

Transactions with related parties or connected persons

Amounts owed by related parties

	2025	2024
	£	£
Other related parties	0	143,607

Amounts owed to related parties

	2025	2024
	£	£
Other related parties	46,727	0

Transactions with the entity's directors (or members of its governing body)

Amounts owed by directors

	2025	2024
	£	£
Directors' Loan Account	3,194	12,376

The loan is interest free with no set repayment terms.

Dividends totalling £99,600 (2024 - £54,268) were paid in the year in respect of shares held by the company's directors.

Key management compensation

	2025	2024
	£	£
Key management compensation	55,609	50,516

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